

## **Jean-Claude Trichet: Ehrenplaquette of the city of Frankfurt am Main – awarding ceremony**

Speech by Mr Jean-Claude Trichet, President of the ECB, at the awarding ceremony of the Ehrenplaquette of the city of Frankfurt, Frankfurt am Main, 15 September 2008.

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Sehr geehrte Frau Oberbürgermeisterin, sehr geehrter Herr Stadtverordnetenvorsteher, hochgeschätzte Vertreter des Konsularischen Corps, meine Damen und Herren,

hier im Frankfurter Römer habe ich seit meinem Amtsantritt als Präsident der Europäischen Zentralbank vor bald fünf Jahren schon öfter gestanden und zu geladenen Gästen gesprochen. Heute freue ich mich ganz besonders, das Wort zu ergreifen. Ich möchte mich aus ganzem Herzen dafür zu bedanken, dass die Stadt Frankfurt mich mit ihrer Ehrenplakette auszeichnet. Zentralbanken eine Heimat in seinen Mauern. So zunächst der Bank deutscher Länder, dann der Deutschen Bundesbank und seit 1998 außerdem der Europäischen Zentralbank.

Für die Auszeichnung, die mir heute hier zuteil wird, gilt mein Dank zunächst meinen Kollegen im Direktorium der Europäischen Zentralbank und den Mitarbeitern. Sie alle haben Ihren nachhaltigen Einsatz geleistet, um die Zusammenarbeit mit der Stadt Frankfurt in so konstruktiver und professioneller Weise zu gestalten und haben durch Ihr persönliches Engagement den Beitrag zum Kulturleben dieser Stadt erst ermöglicht. Diese gemeinsame Leistung ist die Grundlage für diese Ehrung, die Verleihung der „Ehrenplakette der Stadt Frankfurt“.

Ich bin glücklich, mich in die Reihe der Zentralbankpräsidenten einreihen zu dürfen, die vor mir die Ehrenplakette der Stadt Frankfurt erhalten haben, darunter mein leider viel zu früh verstorbener Vorgänger Willem F. Duisenberg. Lassen Sie mich nun kurz auf die ersten zehn Jahre der Existenz der Europäischen Zentralbank eingehen.

### **1. The ECB after 10 years**

Ten years ago, on 1 June 1998, the European Central Bank was founded, together with the European System of Central Banks, the ESCB. The primary mandate of the ECB and the ESCB was, and is, to preserve price stability and to safeguard the credibility of Europe's single currency, the euro, which was created seven months later.

It was the will of the democracies of Europe that led to the creation of the ECB. Its mandate and its independence in fulfilling its mandate were given by the people of Europe on a multi-national and multi-partisan basis. We are faithful to our mandate because we are faithful to the democratic will of the Member States.

What can we say now, after ten years?

Since day one, the single currency has fully inherited the degree of credibility and confidence that was the privilege of the most credible national currencies before the euro. The credibility was such that the medium and long-term market rates of the euro were at the same low level as those experienced by the most reliable national currencies before. In spite of a series of global shocks resulting from the prices of oil and commodities, yearly inflation since 1 January 1999 has been 2.1% on average. Price stability in the medium term is essential not only because it protects the incomes of all our fellow citizens – and particularly the most vulnerable and poorest ones – but also because it is one of the preconditions for growth and job creation. Since the euro came into being about 16 million new jobs have been created, over one million more than on the other side of the Atlantic.

The first ten years have been extremely busy for the Executive Board, for the Governing Council, for the ECB and for the Eurosystem. The extraordinary motivation of our staff members is, in my opinion, due to their awareness of, and pride in, making history.

The single currency is the most advanced feature of European unity and in many respects its emblem. We owe it to the lucidity of the founding fathers and to the determination of a series of visionary leaders. To them we owe an immense debt of gratitude. Gratitude also to the leaders who maintained a steady hand during the 1990s in the run-up to the euro, in a very difficult environment.

This anniversary is no time for complacency. But for continuous efforts, because the challenges lying ahead for Monetary Union will be numerous and demanding. As one of the major central banks in the industrialised world, we, like the others, have three challenges to cope with in our monetary policy-making: rapid technological progress, globalisation in all its dimensions, including the transformation of global finance, and population ageing.

On top of those three major challenges, the ECB and the Eurosystem have to cope with two other important, self-assigned challenges. The first is the deepening of economic and financial integration at continental level, the progressive completion of a single economy with a single currency; we are the only central bank which is actively contributing to a major structural transformation of its own economy. The second is enlargement: we are called upon to extend progressively the euro area across the European Union as a whole; we are also the only central bank to undertake such an endeavour.

Economic Union itself has its own challenges. I see three major challenges for the Eurogroup, for the governments of the euro area and for the Commission. The full and complete implementation of the Stability and Growth Pact, which is a crucial component of EMU in the absence of a European federal budget. The resolute pursuit of structural reforms in line with the Lisbon process, which are decisive in order to raise the long-term growth potential of Europe. And the lucid monitoring of the national competitive indicators, including unit labour costs.

Europe can count on the ECB and on the Eurosystem to implement in this century the historic task which was assigned to us at the end of the last century. We will be faithful to the primary mandate given to us by the Treaty. We know that our fellow citizens are asking us to deliver price stability. We know also that price stability is a prerequisite for financial stability, a very important objective at the current juncture. All the members of the Governing Council make their decisions taking into account the interests of the whole of the euro area, of 15 countries. We do not consider any particular country, but all 15 of them. And as I said, in the current juncture there is no place for complacency but for permanent credible alertness.

## **2. The ECB and its relations with Frankfurt**

During its first ten years the ECB has developed excellent relations with its environment here in Frankfurt, be it with the institutions of the city or with the population. At the beginning there were still some taxi drivers who did not understand immediately where to bring a passenger who just said: "European Central Bank, please". Today, the situation is quite different. And the ECB has endeavoured to spread the knowledge of what is happening in there. We do that via our publications or our Website but also by inviting the public to come inside the ECB. Therefore, we participated in the Skyscraper festivals of 2001 and 2007, following the example of our forerunner, the European Monetary Institute which did so in 1996 and 1998. In the framework of our 10th anniversary we held an Open Day on 1 June, and about 1,000 visitors could get first hand information of the role and functions of the ECB. In addition, we regularly explain our work to groups of visitors from around the world, and among them of course citizens from Frankfurt and the Rhein-Main area. In 2007 their number reached 13,500 altogether and each visitor did not only see the ECB but also the city of Frankfurt. For completeness, I wish to also mention our taking part in the Osthafenfest and in the Luminale,

during which the Großmarkthalle was fantastically illuminated. Also, ECB staff participated in dragon boat races and got the enthusiastic support from the public and their colleagues on the banks of the Main.

The ECB is a European body, and its staff is now composed of nationals from the 27 Member States of the European Union. Every day, I enjoy the multi-cultural atmosphere at the ECB which is stimulating as it brings fresh ideas into our professional life because of the different experiences, work styles and cultural backgrounds only to name a few of the inspiring factors. Our daily encounter with the richness of European heritage brought us to the thought to let the public participate in this understanding. We did so by launching the Cultural Days of the European Central Bank which we have organised every year since 2003. The basic concept is to feature each time aspects of the variety and affluence of the culture of one of the Member States of the European Union, and bring it to Frankfurt to present it to the citizens of the Rhine-Main region and beyond, with events covering music, literature, film, and modern dance. Furthermore, we offer lectures about different topics, art and photographic exhibitions and events for children. After having started with Portugal in 2003, it was Poland's turn in 2004, followed in 2005 by Hungary, in 2006 by Austria and in 2007 by Greece. This year we did not focus on the culture of only one Member State but presented for our 10th birthday a kaleidoscope of the culture of all 27 EU countries in a combination of different events. In 2009 we will return to the traditional pattern and have selected Romania as the next single country.

In the organisation of the Cultural Days the ECB can rely in particular on the precious support from the central banks of the relevant theme countries which are, among other things, an important factor in the selection and financing of the programme. However, we have over the years also extremely well cooperated with the city of Frankfurt, and I wish to thank the Lord Mayor and the other members of the city government or parliament very, very much for their assistance and contributions to the Cultural Days which I hope have enriched the international flavour of the city.

### **3. Closing remark**

Sehr geehrter Frau Oberbürgermeisterin, meine Damen und Herren, die EZB, ihr Management und ihre Belegschaft fühlen sich seit zehn Jahren in Frankfurt sehr wohl. Ich danke Ihnen nochmals aufrichtig für die Ehrung, die ich sehr gerne im Namen des Direktoriums und unserer Mitarbeiter entgegennehme.

Vielen Dank für Ihre Aufmerksamkeit.